



DEMOCRATIC PARTY OF DELAWARE

John D. Daniello, Chair

John D. Daniello, Chairman
Delaware Democratic Party
P.O. Box 2065
Wilmington, DE 19899

October 10th, 2012

Anthony Herman
General Counsel
Federal Election Commission
999 E Street, N.W.
Washington, D.C. 20463

Re: Complaint against Alex Pires and Alex Pires for Senate

Dear Mr. Herman,

COMPLAINT

I write this letter to file a complaint pursuant to 2 U.S.C. § 437g(a)(1) against Alex Pires and his principal campaign committee, Alex Pires for U.S. Senate ("Respondents"). The facts indicate that Pires violated the Federal Election Campaign Act ("the Act") and Federal Election Commission regulations by illegally using his companies' corporate funds and resources to influence his election. In addition, the Respondents' campaign website and multiple public communications distributed by the Respondents do not disclose who paid for the communications, as required by the Act and FEC regulations. Because of these clear violations of federal law, the Commission should act immediately to investigate these matters and impose penalties against Pires and his campaign.

I. Facts

Alex Pires is a candidate for United States Senate from the state of Delaware. He filed his Statement of Candidacy with the Federal Election Commission on May 22, 2012. It is widely known that Pires is the owner of numerous incorporated businesses in Delaware, including Bottle & Cork and Jimmy's Grille.

According to news reports, Pires held a kick-off event for his campaign on May 26, 2012, at Bottle & Cork in Dewey Beach. See Jonathan Starkey, *An unconventional kickoff*, The News Journal, May 27, 2012. Throughout the event, it appeared that food and refreshments from Bottle & Cork, including alcoholic beverages, were passed out to



those in attendance free of charge. Individuals wearing Bottle & Cork employee t-shirts collected signatures during the event for Pires to appear on the ballot this November. Shortly thereafter, a news release from Respondents advertised a campaign event held at the Woodward Outdoor Equipment Company on June 11, 2012; the event featured free chicken for attendees from Jimmy's Grille. See Exhibit A.

Reports filed by Respondents with the Commission do not disclose *any* disbursements to Bottle & Cork or Jimmy's Grille to pay for the food and staff time used in connection with campaign events.

In addition, since announcing his candidacy in May of 2012, Respondents have distributed numerous public communications that do not include any disclaimer indicating who paid for the communications. Two examples of these communications are attached to this complaint as Exhibit B. Further, Respondents' website, www.36yearsisenough.com, does not include a disclaimer indicating who paid for the website.

II. Legal Argument

A. Respondents Appear to Have Accepted Prohibited Corporate Contributions

Corporations are strictly prohibited from making contributions to federal candidates, or from making any expenditure in connection with a federal election. 2 U.S.C. § 441b(a). Candidates and candidate committees are similarly prohibited from accepting corporate contributions of any amount. *Id.*; 11 C.F.R. § 114.2. A "contribution" includes "the provision of goods or services without charge or at a charge that is less than the usual or normal charge for such goods or services." *Id.* § 100.52(d)(1). Candidates are required to itemize contributions and expenditures on reports filed with the Commission on a regular basis. See *id.* § 104.3.

The facts indicate that Respondents held a campaign kick-off event at Bottle & Cork, at which food and beverages were provided free of charge to attendees. Bottle & Cork employees appeared to be working at the event, dressed in their required employee shirts. However, according to FEC reports, Respondents have not made a single disbursement to Bottle and Cork; not for the use of the space for the event, not for the time spent by its employees working at the event, and not for the food and beverages that were distributed at the event. Thus, it appears that these goods and services were provided to Respondents without charge, resulting in prohibited in-kind corporate contributions from Bottle & Cork.

Similarly, the facts indicate that Respondents held a campaign event at the Woodward Outdoor Equipment Company, which featured free chicken provided to attendees by Jimmy's Grille. Again, according to FEC reports, Respondents did not make a disbursement to the Woodward Outdoor Equipment Company for the use of the space. Nor did they make a disbursement to Jimmy's Grille for the food that was provided. Accordingly, it appears that Respondents accepted prohibited in-kind corporate contributions from both companies to fund this event as well.

The circumstances of the campaign events described above indicate that Respondents have accepted prohibited corporate in-kind contributions on at least two occasions – a blatant violation of the law. And these events may be just the tip of the iceberg, as the FEC reports indicate very few disbursements for event-related expenses since Pires declared his candidacy. Thus, at the very least, the facts this demonstrates a pattern of complete disregard for the Act's disclosure requirements. More likely, Respondents have repeatedly violated federal law by accepting substantial corporate in-kind contributions in connection with campaign events.

B. Respondents Failed to Comply with Disclaimer Requirements

Commission regulations require that public communications paid for and authorized by an authorized committee of a candidate, including Internet websites operated by such committee, include a disclaimer that "must clearly state that the communication has been paid for by the authorized political committee." *Id.* §§ 110.11(a), (b)(1). The regulations further require that for printed communications, the disclaimer "must be contained in a printed box set apart from the other contents of the communication." *Id.* § 110.11(c)(2)(ii).

As evidenced by the examples attached to this complaint as Exhibit B, the public communications distributed by Respondents do not include a disclaimer stating that the communications were paid for by Alex Pires for Senate. These communications are clearly the type of general public political advertising that require such a disclaimer. Further, Respondents' also failed to include the required disclaimer on the committee's website.

This is a blatant violation of the law. Respondents' website and attached public communications simply do not include a statement identifying who paid for the communications. And without the benefit of a proper disclaimer statement, the public does not know who paid for the communications – and thus has no way of confirming who is ultimately responsible for the content of the communications.

III. Conclusion

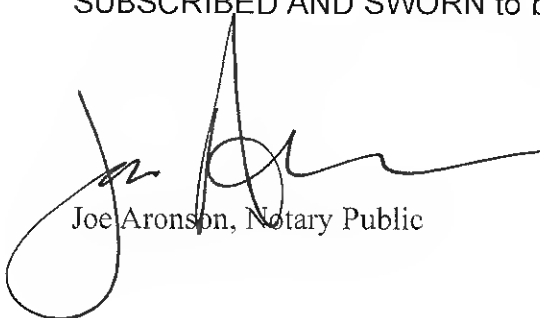
As shown, Respondents appear to have flagrantly – and repeatedly – violated the Act and Commission regulations. The Commission should investigate immediately the violations presented herein, enjoin Pires and his campaign from further violations, and fine them the maximum amount permitted by law.

Sincerely,



John D. Daniello, Chairman
Delaware Democratic Party

SUBSCRIBED AND SWORN to before me this 10th day of October 2012.



Joe Aronson, Notary Public



- WGMD.COM - <http://wp.wgmd.com> -

Pires to make second stop on announce tour this evening

Posted By [Mari Lou-WGMD News](#) On June 11, 2012 @ 1:02 pm In [Local News](#) | [1 Comment](#)

Candidate for US Senate Alex Pires will make his second stop in his 57 Towns and Cities Tour of the state to announce his candidacy. He will be at the Woodward Outdoor Equipment Company in Middletown from 5 to 6pm. Later in the evening he'll debate the other US Senate candidates at the clubhouse of the Frog Hollow Golf Course.

NEWS RELEASE: Alex Pires for US Senate campaign announces

The Second stop of his 57 Towns and Cities Tour of Delaware

Dewey Beach, DE- The Alex Pires 57 Towns and Cities Tour of Delaware will make its second stop today in Middletown, DE at the Woodward Outdoor Equipment Company, 226 Main Street, from 5:00 to 6:00 p.m.

Free chicken will be provided by Jimmy's Grille of Bridgeville, DE, music will be provided by singer/songwriter Matt Holmes. Providing food and entertainment while touring a state is an old Southern tradition originating in the 1930s. Later in the evening, Mr. Pires will be debating the other U.S. Senate candidates at the clubhouse of the Frog Hollow Golf Course, 1 Whittington Way, Middletown, DE.

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ALEX PIRES came from nothing...his parents had 8th grade educations...he washed dishes every day for two years to pay for college...received a full scholarship to law school...worked for the U.S. Department of Justice under Republican and Democratic presidents...practiced law, representing family farmers, for 26 years...did well, invested all of his money into Delaware small businesses, and even started a community bank.

TOM CARPER has been in office for 36 years, and has never held a job outside of government...during the past 12 years, he has accepted \$131,000 from MBNA, \$90,000 from J.P. Morgan, \$80,000 from Citigroup and \$44,000 from Bank of America... plus \$30,000 from the Koch Brothers...Mr. Carper has become rich (*one of the richest Senators in the United States*), worth some \$7.5 million dollars, owning shares of stock in over 150 corporations, *on a civil servant's salary*.

36YearsIsEnough.com

"Five Things I Believe"

I am Alex Pires, candidate for US Senate from Delaware. Here are five things I believe:

- 1) Term Limits. I believe we need term limits in the US Senate and the US House of Representatives. Professional politicians- mostly old guys that stick around for 30 or 40 (or more) years- have ruined our government. There are term limits on the President, term limits on governors in 37 states, and several states have term limits for their legislatures. Term limits will end the abuse of power that comes from politicians who spend a lifetime manipulating Congress. If elected, I will serve only one term of six years, and then give someone else a chance.
- 2) Laws Apply to Everyone. Members of Congress should not enjoy special status in this country. Every law passed by Congress should apply to our Senators and Representatives.
- 3) Banking Reform. I believe that the big banks, with their constant scandals, failures and abuses,- are corrupt largely because they are protected by vague laws passed by the members of Congress they control. The solution: Senators should not be allowed to accept money from those businesses they regulate.
- 4) Conflicts of Interest. I believe that Senators should be prevented from trading stocks while they are in office- except through a blind trust.
- 5) Senator's Pay. Senators should only get paid for the days they work. On average, they work only 150 days per year (the rest of the time they raise money or do nothing). Also, I would eliminate any pensions for Senators- this is not that kind of job. Members of the Senate should not enrich themselves through service to the country.